

**EVENT VIOLATION**  
**INSPECTOR'S STATEMENT**  
**MINERALS REGULATORY PROGRAM**

Company/Mine: Red Dome Inc.  
Permit #: M/027/0382

CO # MC-2006-04-02  
Violation # 1 of 1

**SERIOUSNESS**

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation.** Mark and explain each event.

- |                                     |    |  |
|-------------------------------------|----|--|
| <input type="checkbox"/>            | a. | Activity outside the approved permit area.                     |
| <input type="checkbox"/>            | b. | Injury to the public (public safety).                          |
| <input type="checkbox"/>            | c. | Damage to property.  |
| <input checked="" type="checkbox"/> | d. | Conducting activities without appropriate approvals.           |
| <input type="checkbox"/>            | e. | Environmental harm.  |
| <input type="checkbox"/>            | f. | Water pollution.   |
| <input type="checkbox"/>            | g. | Loss of reclamation/revegetation potential.                    |
| <input type="checkbox"/>            | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input type="checkbox"/>            | i. | No event occurred as a result of the violation.                |
| <input type="checkbox"/>            | j. | Other.   |

**Explanation:**

The operator has failed to complete the permitting process to permit a Large Mine or post adequate bond.

2. Has the event or damage occurred? Yes  
If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

**Explanation:**

The operator failed to complete the Large Mine permit and post an adequate bond and continue to mine and remove material.

3. Did any damage occur as a result of the violation? Yes

4.

If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

## Explanation:

The operation has failed to post an adequate bond for reclaiming the site, so any disturbance existing onsite could be considered damage to the environment and the mine has existed since the implementation of the mining law.

**B. DEGREE OF FAULT** (Check the statements which apply to the violation and discuss).

- ☐ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

## Explanation:

The operator has been aware of the requirements of the division and the law and as such has ignored the law and the division to pursue mining without a permit.

- ☒ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

## Explanation:

It was a result of knowing about DOGM's regulation but failing to comply with any requirements of DOGM for posting a bond or completing the mining permit.

- ☒ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

## Explanation:

An attempt was made to complete the permit and a potential offer to post a \$100,000 bond.

- ☒ Was the operator in violation of a specific permit condition?

Explanation: The Division had requested in a letter the operator post a \$150,000 bond to cover the 52 acres of disturbance as identified in their last mine plan submittal.

- ☐ Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: \_\_\_\_\_

Was any economic benefit gained by the operator for failure to comply? Yes  
If yes explain.

Explanation: By not posting a bond of \$150,000 dollars, then it is a very great economic benefit to mine and not post the bond.

**GOOD FAITH**

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: \_\_\_\_\_

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: It is uncertain whether the operator has the necessary financial resources to achieve compliance.

3. Was the submission of plans prior to physical activity required by this NOV / CO? \_\_\_\_\_ If yes, explain.

Explanation: \_\_\_\_\_

Tom Munson  
Authorized Representative

Tom Munson  
Signature

2/25/06  
Date